YESS Initiative Concept Note & Future Needs

YESS Goal: **Eliminate cotton produced with forced labor from global supply chains**

**Method:** Equip spinning mills with an effective due diligence program that trains and assesses they have internal systems to not source cotton produced with forced labor.

Cotton produced with forced labor is making its way through global supply chains into clothing and home goods sold by major brands and retailers. **YESS: Yarn Ethically & Sustainably Sourced** aims to prevent and mitigate the harm caused by the production of cotton using forced labor by training and assessing yarn spinners to identify and address this harm. A spinning mill is a key point in the cotton supply chain because it is where cotton lint from various sources is blended to make yarn and it is often the gatekeeper to identify the cotton’s origin.

YESS aligns with the Organisation for Economic Co-operation and Development (OECD) **Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector**, which is designed to reduce harm in supply chains. OECD Due Diligence Guidance requires that initial processors – in the apparel industry, yarn spinners – better understand their supply chains and their sources of raw materials (such as cotton), to identify and address risks over time through a continuous improvement process. There is an expectation that each tier of the supply chain implement due diligence. Applying the OECD due diligence framework to initial processors in a supply chain has been proven effective and scalable in addressing conflict minerals.

**Goals**

**YESS** aims to:

- Drive forced labor out of the cotton supply chain and promote cotton produced ethically and sustainably
- Reduce potential legal, financial, and reputational risks for brands
- Increase scalable transparency of the cotton supply chain from fabric to field
- Develop and implement an industry-wide system that will encourage, enable, and support yarn spinners to identify, address, and mitigate forced labor in cotton sourcing
- Promote harmonized engagement and assessments of yarn spinning mills across the industry, which will integrate with sustainable cotton and apparel initiatives and platforms

**YESS Value Proposition**

The value of participating in the development and implementation of **YESS**:

1. Assist in complying with anti-slavery legislation, regulations, and due diligence disclosures in California, US, UK, France, and Australia
2. Demonstrate to investors, customers and other stakeholders a company’s commitment and contribution to addressing systemic labor issues facing the sector
3. Avoid duplicative audits, minimize verification costs, and improve efficiencies
4. Engage with a multi-stakeholder initiative to address forced labor in the conventional cotton sector
5. Establish a standard that outlines the consistent application of spinning mill’s due diligence management systems that must be demonstrated to qualified auditors
6. Contribute to achieving Sustainable Development Goal 8 and indicator 8.7
**Recent Activities**
Recent activities in developing YESS include:
- Released the [YESS Cotton Standard and YESS Assessment Workbook](#) to assess spinners’ due diligence activities to identify, address, and avoid forced labor in cotton sourcing
- Issued a [press release, webinar, and slide deck](#) for the YESS Standard and Workbook
- Incorporated over 200 received comments into the YESS Standard
- Conducted feasibility assessments at five spinning mills in Turkey, Bangladesh, and Uzbekistan
- Developed initial training materials for the yarn spinners

**Current Activities**
Current activities in developing YESS include:
- Engaging brands and foundations to support a round of pilot assessments in fall 2019
- Meeting with brands and existing apparel and cotton initiatives to explore alignment and coordination of farm-level initiative and YESS
- Writing a due diligence white paper and conducting a comparative analysis with existing cotton initiatives

**YESS Roadmap**
To complete YESS’s robust development and implementation of a supporting program, RSN requires $2.5 million over the next three years (2019-2021). Activities include:

1. Finalize the YESS program
   - Conduct pilot assessments at 15 – 20 spinning mills in 3 – 5 countries
   - Complete comprehensive training materials and conduct training sessions for spinners, auditors, and brands
   - Refine and finalize program elements: risk-based research, checklists, document library, data collection tools, auditor requirements and approval process, KPI development, and assessment process (from initial spinner engagement to final spinner approval and future re-audits)
   - Publicly document YESS’ alignment with the OECD Due Diligence Guidance

2. Establish formal partnerships and collaborations
   - Formalize the current working relationships with existing apparel and cotton initiatives
   - Detail a specific path to financial sustainability; map and forecast annual corporate membership and other revenue streams; gain industry buy-in; determine coverage of assessment costs
   - Explore a blockchain system to coordinate activities throughout the apparel industry

3. Expand the YESS team
   - Establish and facilitate a Steering Committee, working groups, and processes per the ISEAL Codes of Good Practice
   - Hire 2 – 3 staff to coordinate and execute YESS activities
   - Create an Audit Review Committee and Standards Setting Working Group

4. Implement, review, revise, and integrate
   - Roll out assessments of spinning mills globally
   - Review and revise the YESS standard and tools
   - Investigate potential to integrate with an existing apparel or cotton initiative

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